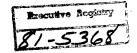
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15 October 1981

MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM:

Director of Central Intelligence

SUBJECT:

Improving the Quality of Intelligence

- l. Now that your reorganization of NFAC is in motion, I'd like to focus on some other improvements. As I've told you, I'm enthusiastic about the new organization structure. It makes a lot of sense and should help resolve a number of management and coordination problems. I also hope that the consolidation of political, economic, and military research along regional lines will set the stage for developing NFAC's capability to do politico-military analysis and cross-discipline analysis, two important problems I mentioned in my memorandum to you on 3 April concerning problems of analysis. I think it is important to watch carefully how the reorganization is implemented to see that layering is minimized and people are actually shifted from coordinating and administrative work to analytical contributions.
- 2. The reorganization in and of itself will not address other analytical problems which we need to address. Specifically, I continue to be concerned that NFAC's research program is developed from "the bottom up" rather than from "the top down." It is my impression judging from your catalogs that I have reviewed and my conversations with analysts that a high percentage of work done in NFAC is self-initiated by the analysts and relates to subjects in which they are interested. Obviously, often these are of great value. At least as often, however, they bear little relevance to issues and problems of concern to policymakers. This view was reaffirmed by the cataloging of NFAC products against the thirty-odd NITs which you put together for me.
- 3. I am also concerned that we are not doing enough to refresh the skills and area backgrounds of our analysts through periodic training--such as occasional courses in local universities; developing a capability for doing geostrategic and macro-analysis; instilling in analysts the realization that they are analysts working for the Government rather than academicians who just happen to work for CIA; and the propensity, which will in fact be accentuated by the NFAC reorganization, to look at problems in different parts of the world-such as Central America, North/Central Africa, Southern Africa, and so forth-in isolation and without regard for the role that countries in other regions (such as Libya, the Soviet Union, Cuba, etc.) play in local or regional conflicts.

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- 4. I have discussed these problems with Admiral Inman, and we agree that they are not likely to be addressed in the absence of a specific plan with specific milestones to measure progress. I would like you to prepare for me your proposed plan for improving the quality of intelligence during the next year to 18 months, including the specific milestones—both program—matic and in terms of time—that will be used to measure progress. This plan should include how you intend to address the problems I have mentioned above, that is, development of a research plan based on "top-down" guidance; how you intend in the new structure to plan cross—disciplinary analysis; your plan for brushing up the substantive skills of your analysts; and your plan for developing cross—regional and broad geopolitical/geostrategic analytical capability. This plan should, of course, include any other initiatives you have in mind for improving the quality of intelligence analysis.
- 5. Once I have approved your plans, I intend to ask the Office of Policy and Planning/Planning Staff to be in close touch with your people in order to follow progress on implementation and to keep me informed. I would like to have your plans along the lines noted above by 13 November.

William J. Casey

cc: D/OPP